

Mesa Fast Facts

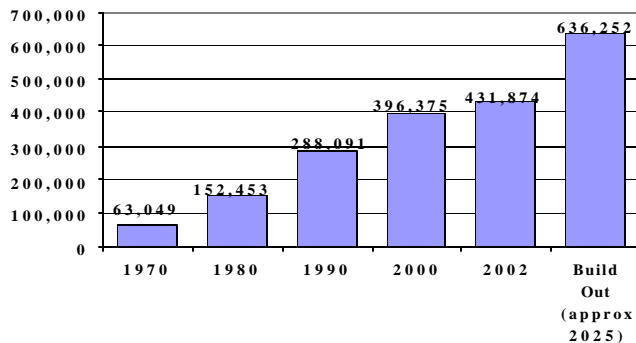
- ✍ The City of Mesa grew by 38 percent between 1990 and 2000.
- ✍ The majority of Mesa's population is White, with 18.3 percent non-White. The Hispanic population grew by nearly 150 percent from 1990 to 2000.
- ✍ Mesa's median age is less than the Phoenix-Mesa's MSA median, although residents aged 75 and older are the fastest growing age cohort in Mesa.
- ✍ Householders living alone, aged 65 and older, experienced the largest percentage growth in the nineties.
- ✍ Mesa's 2000 homeownership rate was 66.4 percent, slightly above the national rate and below the statewide rate of 68 percent.
- ✍ Mesa's top 10 employers comprise 13.5 percent of Mesa's labor force of 245,104 persons 25 and older.
- ✍ The median income of \$42,817 was slightly higher than the state average of \$40,558. Mesa's 2005 income is estimated to be \$48,285. The largest percent growth is estimated to take place in the uppermost income brackets.
- ✍ Single-family detached homes are the most prevalent type of housing in Mesa, comprising 48.4 percent of the total housing stock. Mobile homes are second, comprising 17.6 percent of the total stock.
- ✍ Approximately 5,000 units in Mesa are more than 50 years old. This number increases to nearly 65,000 units or 40 percent of the entire housing stock if units built before 1979 (those with potential lead-based paint hazards) are considered.
- ✍ Mesa's population at build-out is estimated to reach 633,700, with an estimated employment of 371,100.
- ✍ At buildout in 2025 or beyond, Mesa is estimated to have 234,100 housing units.

Profile of Current and Historical Housing Demand

POPULATION

The City of Mesa grew by 38 percent between 1990 and 2000, compared to the national rate of 13 percent and the State of Arizona's rate of 40 percent. Its 2001 estimated population of 414,075 was second largest of all cities in Maricopa County and third largest in the State.

Mesa Population Growth: 1970 to Build Out



**Population of Major Cities/Communities in Maricopa County
Ranked from largest to smallest population**

	1990	2000	2001
Arizona	3,665,228	5,130,632	5,319,895
Maricopa County	2,122,101	3,072,149	3,192,125
Phoenix	983,403	1,321,045	1,344,775
Mesa	288,091	396,375	414,075
Glendale	148,134	218,812	224,970
Scottsdale	130,069	202,705	209,960
Chandler	90,533	176,581	186,875
Tempe	141,865	158,625	159,435
Gilbert	29,188	109,697	122,360
Peoria	50,168	108,364	117,200
Avondale	16,169	35,883	40,445
Sun City	38,126	38,309	39,807*
Surprise	7,122	30,848	38,400
Sun City West	15,997	26,344	27,374*
Goodyear	6,258	18,911	22,820
Fountain Hills	10,030	20,235	21,190
Paradise Valley	11,674	13,644	13,915
El Mirage	5,001	7,609	11,915
Buckeye	4,436	6,537	10,650
Wickenburg	4,515	5,082	5,265
Guadalupe	5,458	5,228	5,230
Tolleson	4,434	4,974	5,040
Queen Creek	2,667	4,316	4,820
Cave Creek	2,925	3,728	3,900
Litchfield Park	3,303	3,810	3,845
Youngtown	2,542	3,010	3,155
Carefree	1,666	2,927	3,095
Gila Bend	1,747	1,980	2,000

Source: U.S. Census Bureau and the Arizona Department of Economic Security, Population Statistics Unit

*Based on County growth rate

The majority of Mesa's population is White, with 18.3 percent non-White. The Hispanic population grew by nearly 150 percent from 1990 to reach its 2000 total of 78,281.

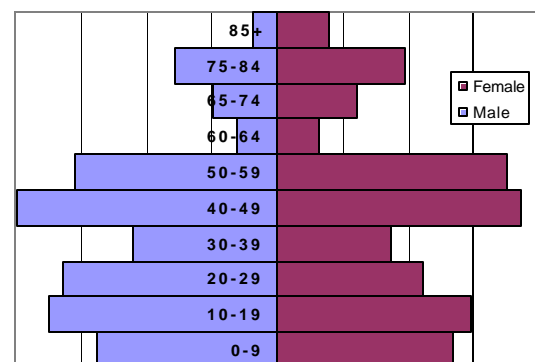
Race and Ethnic Diversity: 2000

White	81.7%
Black or African American	2.5%
American Indian/Alaskan Native	1.7%
Asian	1.5%
Native Hawaiian/other Pacific Islander	0.2%
Some other race	9.7%
Two or more races	2.8%
Hispanic or Latino	19.7%

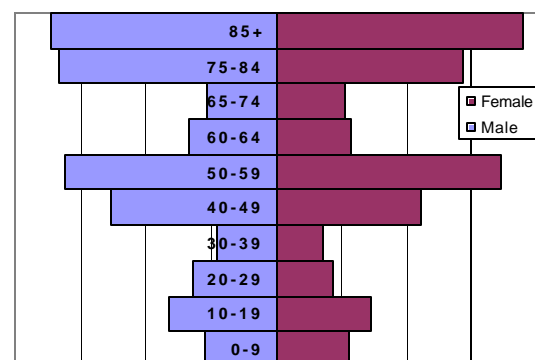
The following two population pyramids show an interesting phenomenon in Mesa—while the largest population growth during the nineties was among the cohorts aged 40-59, the largest percent growth was among the elderly cohorts aged 75 and older.

Even though this implies an aging population, Mesa's median age of 32 is less than that of the Phoenix-Mesa MSA (33.2), the State of Arizona (34.2), and the U.S. (35.3).

Absolute Population Growth by Age and Sex: 1990-2000



Percent Population Growth by Age and Sex: 1990-2000

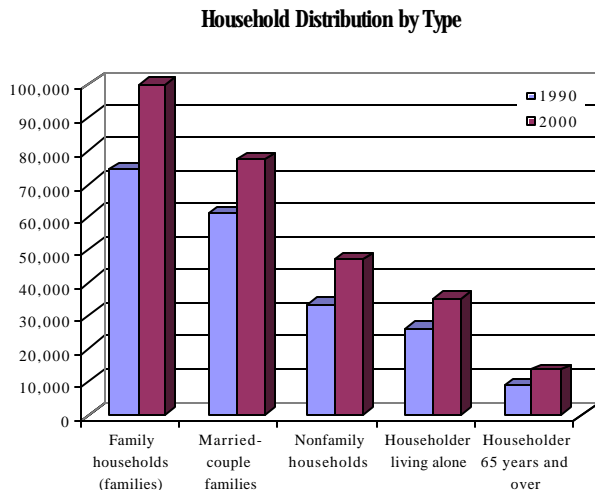


Source for population, race/ethnicity, and age data: U.S. Census Bureau, 2000

HOUSEHOLDS

Mesa gained 38,780 new households during the nineties to reach a total of 146,643 households in the year 2000. Of these, nearly 100,000 (or 68 percent) are families. Household size increased to 2.68, with population growth outpacing household formation.

Householders living alone, aged 65 and older, experienced the largest percent growth in the nineties of all household types. This type of household grew by 52.4 percent during the time period. On the contrary, married couple households had the smallest percent growth—27.01 percent.



Source: U.S. Census Bureau. 2000

TENURE

Mesa's 2000 homeownership rate was 66.4 percent, slightly above the national rate of 66.2 and below the statewide rate of 68 percent.

ECONOMIC BASE AND LABOR FORCE

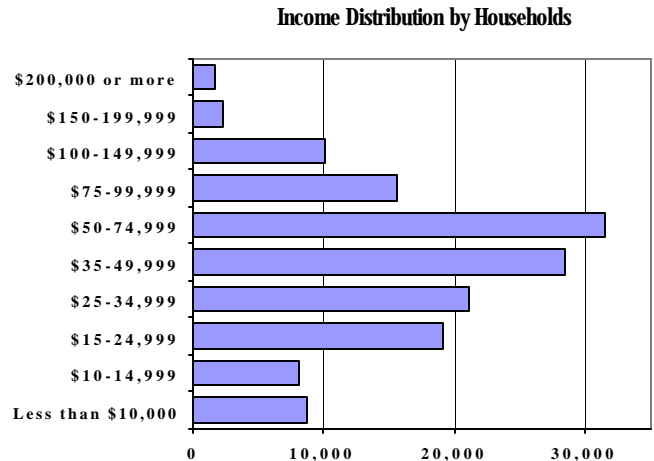
Mesa has a total labor force, aged 25 and older, of 245,104. Mesa businesses recruit workers from a regional civilian labor force of nearly 1.6 million (Arizona Department of Economic Security, April 2002). The following list shows Mesa's key employers.

Mesa Public Schools	10,000	Home Depot	750
Banner Health System	6,100	Special Devises	750
Beeing	4,300	Target	700
City of Mesa	3,700	Albertson's	680
AT&T	2,800	United Postal Service	670
Wal-mart	1,775	AMPAM Riggs Plumbing	575
TRW	1,450	Tribune Newspapers	550
The Kroger Company	1,080	Mesa Community College	500
Empire Southwest Machinery	1,000	NCS Pearson	500
Bashas'	860		

Source: Mesa Economic Development Department

INCOME

The City's median income in 2000 was \$42,817. The income bracket with the most number of households was \$50-74,999. This median income is slightly higher than the statewide of \$40,558.



PURCHASING POWER BY OCCUPATION

Below, a cross-section of occupations were selected to illustrate median wages and the range of mortgages affordable to these occupation groups.

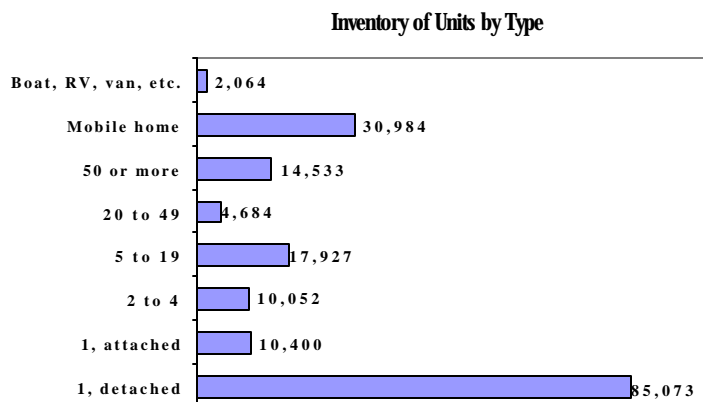
Affordable Home Sales Prices for Select Occupations			
Occupation	50th percentile salary	Percent of Median Income	Affordable Mortgage Range
General Laborer	\$16,952	39.6%	\$47,400--\$52,200
Receptionist	\$21,674	50.6%	\$60,600--\$66,800
Counter and Retail Clerk	\$23,982	56.0%	\$67,000--\$73,900
Accounting Clerk II	\$25,667	59.9%	\$71,700--\$79,100
Medical Lab Technician	\$29,286	68.4%	\$81,800--\$84,200
Mechanic Technician	\$32,323	75.5%	\$90,300--\$93,000
Market Research Analyst I	\$38,376	89.6%	\$98,800--\$118,200
Network Control Technician II	\$42,245	98.7%	\$118,000--\$121,500
Webmaster	\$50,398	117.7%	\$140,800--\$155,300
Mainframe Programmer II	\$56,971	133.1%	\$159,200--\$163,800

Source for wage data: Mesa Economic Development Department's data standards table 11 (source for the Department was www.salary.com). Affordable defined as not paying more than 30 percent of one's monthly income towards housing costs. Mortgage based on 30-year conventional fixed-rate, with range illustrating 7 to 8 percent interest rates (rounded).

Profile of Current and Historical Housing Supply

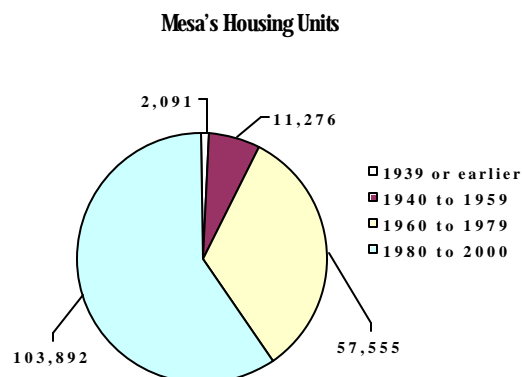
HOUSING STOCK

While housing production did not keep pace with household growth, the City still gained 35,233 units during the nineties to reach its 2000 total of 175,701. Single-family detached homes are the most prevalent type of housing in Mesa and compose 48.4 percent of the total housing stock. Second are mobile homes, which make up 17.6 percent of the stock.



Source: U.S. Census Bureau, 2000

The chart below reflects Mesa's immense growth that began in the 1980's; units built after 1980 currently compose 59.4 percent of the City's housing stock.



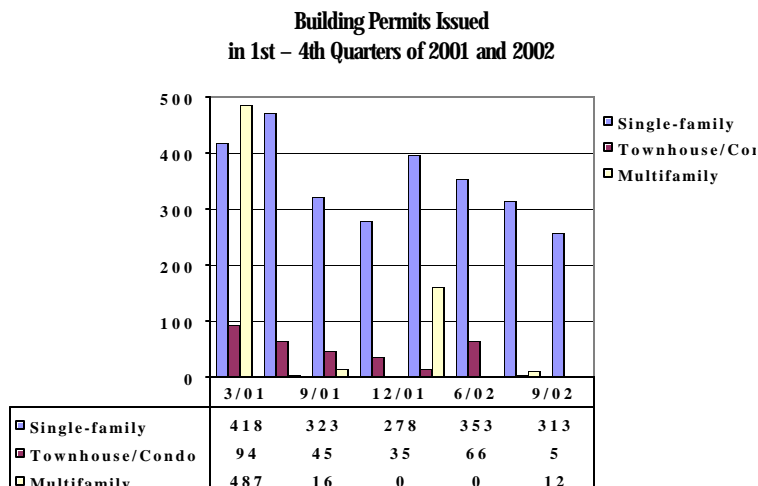
Source: U.S. Census Bureau, 2000

HOUSING PRODUCTION

As displayed in the graph on the top right, single-family building permits peaked in the second quarter of 2001 with 472 issued. Afterwards, single-family permits tapered significantly for two quarters until the first quarter of 2002. Since then, single-family permits have gradually waned.

The issuance of permits for townhouses/condominiums decreased 63 percent in 2002 to a low of 87 total permits.

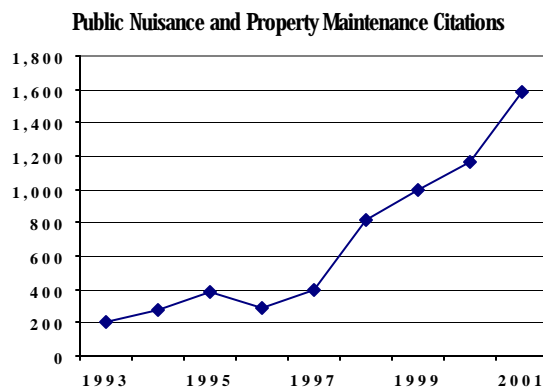
Similarly, multi-family permits dropped by 66 percent from 2001 to 2002 to a total of 172.



Source: Arizona Real Estate Center, Arizona State University

HOUSING STOCK AND PROPERTY CONDITION

The likelihood that a housing unit will need some sort of rehabilitation or repair increases as the unit ages. Approximately 5,000 units in Mesa are more than 50 years old and therefore could potentially benefit from some type of rehab. This number increases to nearly 65,000 units or 40 percent of the entire housing stock if units with potential lead-based paint hazards (those built before 1979) are considered. In addition to housing quality and building standards, Mesa enforces a property maintenance code to maintain safe, clean, and attractive properties. The following chart indicates the number of public nuisance and property maintenance civil citations that were issued from 1993 to 2001. Inspectors seek voluntary compliance with the provisions of the Zoning Ordinance through notices of violation or warnings; civil citations are issued when voluntary compliance is not met. The rise in citations could indicate an overall decline in properties or an increase in enforcement.



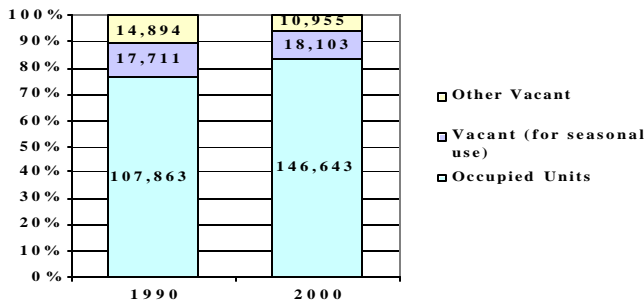
Source: Mesa Planning Division, 1995-1999 Statistical Reports

Housing Market Dynamics

GENERAL TRENDS

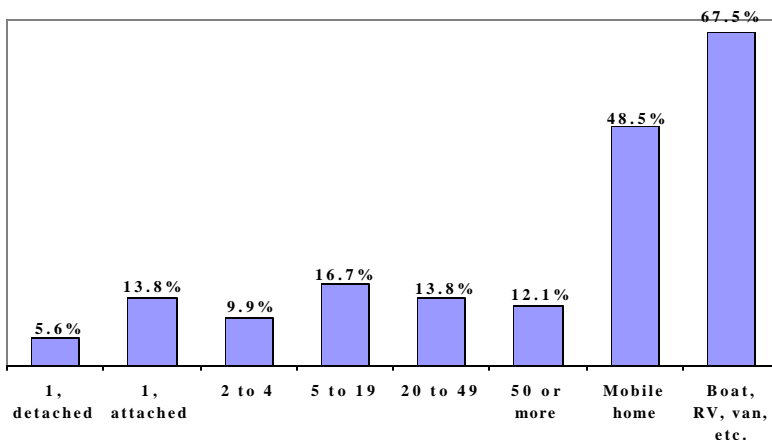
As Mesa's population and households increased significantly during the nineties, housing production could not fully meet the City's growing demand. As a result, the housing market tightened and Mesa's existing housing stock accommodated the balance between new households and housing production. For this reason, the City's vacancy rate of 24 percent in 1990 dropped to 16 percent in 2000. The majority of Mesa's vacant units continue to be attributed to seasonal, recreational, or occasional uses.

Occupied versus Vacant Units: 1990 and 2000



VACANCIES

Forty percent of all recreational vehicles (RVs), vans, and boats used for housing were vacant in 2000. Similarly, nearly 32.7 percent of all mobile homes were vacant. A portion of these vacancies, however, is due to seasonal or recreational uses. The smallest proportion of vacancies was among single-family detached homes, which had a 5.3 percent vacancy rate.



RENTAL MARKET

The average apartment rental in Mesa ranges from \$558 for a one-bedroom to \$883 for a three-bedroom. HUD determines Fair Market Rents (FMRs) for the Phoenix-Mesa Metropolitan Statistical Area (MSA). As illustrated in the chart on the upper right, rents in the greater metro area, outside the City of Mesa, tend to be higher.

Average and Fair Market Rents

	Zero	One	Two	Three	Four
Mesa Average Rents		\$558	\$665	\$883	
Phoenix-Mesa MSA FMR	\$530	\$641	\$806	\$1,121	\$1,320

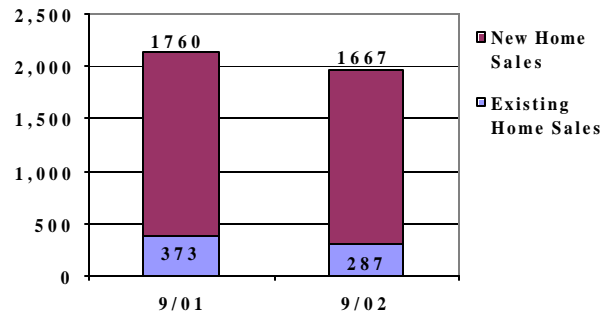
Source for Mesa average rents: Marriott Execustay 2002.

Source for Phoenix-Mesa MSA Fair Market Rents (FMRs): HUD 2003 FMRs

HOME SALES

Comparing the third quarter of 2001 to that of 2002, total single-family homes sales decreased by 8.4 percent. The percent of new single-family home sales dropped 23 percent and existing home sales decreased 5 percent. The ratio of new home sales to total sales, however, remained nearly the same (17.5 percent in 2001 and 14.7 percent in 2002). The chart below compares sales during the third quarters of 2001 and 2002.

Comparison of New and Existing Single-family Home Sales



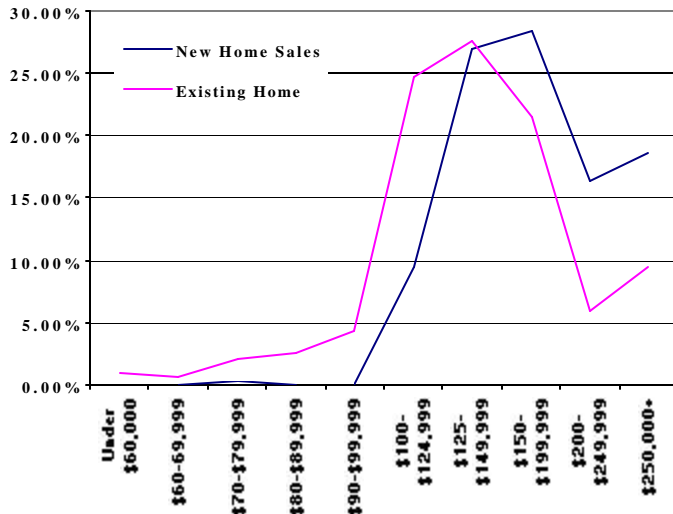
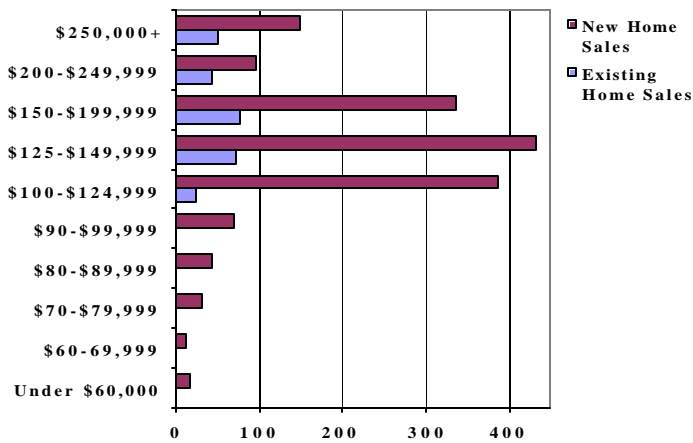
Source: Arizona Real Estate Center, Arizona State University

SALES PRICES

The Arizona Real Estate Center of Arizona State University records single-family new and existing sales data for three subareas in Mesa: North, South, and East Mesa. During the fourth quarter of 2002, the median sales price for new single-family homes ranged from \$149,300 in South and North Mesa, to \$163,400 in East Mesa. The median sales price for existing homes ranged from \$133,500 in North Mesa, to \$135,000 in South Mesa, to \$144,950 in East Mesa.

The two charts on the following page show the distribution of new and existing single-family home sales among price ranges. As illustrated in the charts, new homes tend to start at \$100,000 and above, with the most number of sales in the range of \$150,000-\$199,999. Existing homes, on the other hand, are being sold at all price ranges, from under \$60,000 to over \$200,000, with most homes falling within the \$125-149,000 range.

Mesa Homes Sales: 4th Quarter 2002



HOUSING WAGE

Using the average and Fair Market Rents displayed on the previous page, as well as the median sales price of new and existing homes, the following analysis displays the “housing wages” needed for each—the wage a household must earn in order to rent or purchase the unit without paying more than 30 percent of its monthly income towards housing.

	Income Range	% of County Median Income
New Home, lowest median sales price	\$46,000--\$50,800	107-119%
New Home, highest median sales price	\$50,400--\$55,600	118-130%
Existing Home, highest median sales price	\$41,200--\$45,400	96-106%
Existing Home, highest median sales price	\$44,700--\$49,300	104-115%

The chart above shows the income range a household must earn in order to buy a new or existing home in Mesa, according to lowest and highest median sales prices recorded in the fourth quarter of 2002. The range is based upon a household obtaining a 7 percent fixed interest rate on a 30-year conventional mortgage versus a 8 percent rate.

A similar analysis reveals that a renter paying the 2003 fair market rent for a two-bedroom unit can afford a home 78 percent of the lowest median existing sales price, or 70 percent of the lowest median new sales price.

AFFORDABILITY GAP

The U.S. Department of Housing and Urban Development (HUD), in conjunction with Arizona Department of Housing and Arizona Housing Commission, commissioned Elliott D. Pollack and Company to conduct an Arizona Affordable Housing Profile. The study compared the inventory of private market units and assisted units available and affordable to households by income range to arrive at a Gap Calculation. The following is a chart that summarizes Pollack's findings for Mesa—the gap in affordable units that exist for those very low-income households earning 0 to 50 percent of the area median income. A gap is also displayed for households earning \$55,000 and more (over 100 percent of the median income).

Mesa Affordability Gap Calculation: 2000

% of Median Income	Income Range	Gap	Cummulative Gap
10%	\$0-4,999	(2,893)	(2,893)
20%	\$5,000-9,999	(4,929)	(7,822)
30%	\$10,000-12,499	(2,163)	(9,985)
	12500-14,999	900	(9,085)
40%	\$15,000-17,499	(334)	(9,419)
	\$17,500-19,999	760	(8,659)
50%	\$20,000-22,499	4,394	(4,265)
60%	\$22,500-24,999	5,762	
	\$25,000-27,499	5,740	
	\$27,500-29,000	3,494	
	\$30,000-32,499	2,522	
80%	\$32,500-34,999	2,929	
	\$35,000-37,499	780	
	\$37,500-39,999	328	
100%	\$40,000-42,499	1,269	
	\$42,500-44,999	3,759	
	\$45,000-44,999	2,077	
	\$45,000-47,499	2,676	
	\$50,000-54,999	1,583	
	\$55,000-59,999	(882)	
	\$60,000-74,999	(6,590)	
	\$75,000+	(15,095)	

Source: findings summarized from Elliott D. Pollack & Company's Affordability Gap Calculation for the City of Mesa

HOUSEHOLDS EXPERIENCING A COST BURDEN

HUD's threshold for affordability is a household paying no more than 30 percent of its monthly income toward housing expenses. HUD considers a household paying more than 30 percent to be cost burdened and a household paying more than 50 percent to be severely cost burdened. The chart below displays the number and percent of households experiencing this problem. The severely cost burdened households are a vulnerable population that is at-risk of becoming homeless if it cannot sustain its monthly rent/mortgage payments.

	Cost Burdened		Severe Cost Burden	
Renters	19,133	40.7%	8,315	17.7%
Households with a mortgage	15,868	25.6%	4,439	7.2%

Source: U.S. Census Bureau, 2000

Projected Housing Demand and Supply

POPULATION AND HOUSEHOLDS

Mesa's population at buildout is estimated to reach 633,700. If the average household size remains the same—2.68 in 2000—then there will be 236,455 households at buildout (the General Plan estimate is 195,572).

ECONOMIC OUTLOOK

Mesa is estimated to peak at 371,100 jobs at buildout. At this projection, the jobs per capita will be .58, compared to .36 in 2000. Similarly, the jobs per household ratio is estimated to rise from 1.06 in 2000 to 1.90 at buildout.

In the short run, the Arizona Department of Security, in cooperation with the U.S. Department of Labor's Bureau of Labor Statistics, estimates the following occupations to experience the greatest percent growth from 1998 to 2008 in the greater Phoenix-Mesa metropolitan statistical area. Most of these jobs are in the technical fields.

Fastest Growing Occupations in Phoenix-Mesa MSA: 1998—2008

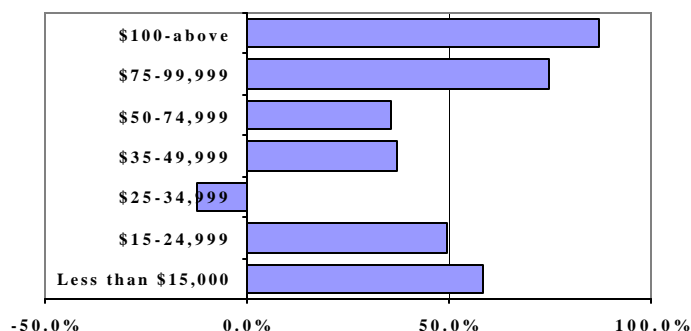
Computer scientists	14.1%	Lecturers	10.0%
Computer support specialists	12.6%	Telegraph and teletype	
Systems analysts	12.3%	installers and repairers	10.0%
Nuclear technicians and technologists	11.7%	Computer engineers	9.8%
Petroleum engineers	10.0%	Bill and account collectors	9.8%

INCOME

According to projections by the City Planning Department and Applied Geographic Solutions, Inc., Mesa's median household income is projected to be \$48,285 by 2005. The chart below shows the percent increase per income bracket from the Census 2000 figures. As illustrated below, the largest percent growth is estimated to take place in the uppermost income brackets, followed by the two lowest.

If income dispersion takes place as projected, there will be an estimated 59 percent increase in extremely low-income households—those earning 0 to 30 percent of the County's median income. Similarly, there will be a 49 percent increase in very low-income households (31-50 percent of the median income). On the other end of the spectrum, households that earn over \$100,000 (207 percent of the median income) will increase by nearly 87 percent. While these percentages are significant, each of these population groups compose 13 percent of the projected total population. The only group projected to lose population is the \$25-34,999 category, those at 52 to 73 percent of the median income.

Change in Income Distribution: 2000-2005



HOUSING PRODUCTION

At buildout, Mesa is estimated to have 234,100 housing units. In order to achieve buildout by 2025, Mesa must produce 2,373 more units per year. However, in 2002, only 1,579 residential permits were issued. Housing production was significantly higher during the nineties when Mesa's housing stock grew by an average 2.51 percent annually.

The graph below shows three scenarios for housing production to reach the buildout ceiling of 234,100 units: (1) sustaining the current activity of 1,579 units per year, (2) increasing production to achieve a 2.51 percent annual growth and (3) ensuring that 2,373 units are built per year. The first scenario reaches buildout in 2036, the second in 2012, and the third in 2025.

Three Scenarios of Housing Production: 2002 to Buildout

